BIFR;

(b) the reasons for pendency of these;

(c) the number of benches of BIFR functioning at present;

(d) the reasons^ for curtailing benches; and

(e) the steps taken for speedy disposal of cases?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) Board for Industrial and Financial Reconstruction (BIFR) was set up under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 with a view to tackle the issue of industrial sickness in an effective manner, to secure timely detection of sick and potentially sick companies owning industrial undertakings, speedy determination by BIFR of the preventive, ameliorative, remedial and other measures which were required to be taken with respect to such companies and the expeditious enforcement of the measures so determined. BIFR mechanism, however, has not been completely successful in effectively tackling the problem of industrial sickness. Major reasons for this *inter-alia* include restrictive definition of sickness, excessive protection of sick industrial companies under section 22 of SICA for automatic stay on all proceedings, slow and dilatory BIFR procedures and excessively long time taken for disposal of cases etc. It has been reported by BIFR that as on 31.12.1999 BIFR and AAIFR/Supreme Court had approved/sanctioned 616 and 27 Rehabilitation Schemes respectively. As on 31.12.99 BIFR had 1003 cases pending at different stages of enquiry.

(c) At present three benches of BIFR are functional comprising six members including the acting Chairman.

(d) and (e) Government is presently evaluating the functioning of BIFR mechanism and operation of the Sick Industrial Companies (Special Provisions) Act, 1985 with a view to find out ways to tackle the problem of Industrial Sickness in a more effective manner.

Five per cent cut on Debt Relief claims of Bihar

†5406. SHRI SHIBU SOREN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that five per cent standard cut has been made on all debt relief claims of Government of Bihar;

(b) if so. what are the details fo the losses suffered on this account by

†Original notice of the question was received in Hindi.

Central Banks and Land Development Banks situated in Bihar;

(c) whether Central Government or NABARD are going to compensate the same;

(d) if so, by when; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Presumably, the Hon'ble Member is referring to the claims made by the Co-operative Banks, and Land Development Banks in Bihar under the Agricultural and Rural Debt Relief (ARDR) Scheme, 1990. The final settlement of ARDR claims of co-operative banks in general and State Co-operative Bank (SCB)/State Land Development Bank (SLDB) in Bihar in particular was made by National Bank for Agriculture and Rural Development (NABARD) on the basis of the decision of Government to effect a standard deduction of 5% each from the final ARDR claims of the banks thereby disallowing the penal interest and compound interest components included in their claims. Since the claims of Co-operative banks in Bihar did not include compound interest portion, only 5% standard deduction was made towards penal interest component from their final ARDR claims.

(b) The particulars of ARDR claims settled in respect of Co-operative banks in Bihar are as under:—

(Rs. Lakhs)

	Bihar SCB	Bihar SLDB
Claims lodged by the bank	40091.342	14815.090
Standard deduction made at 5%	2004.568	740.756
Claims settled	38086.774	14074.334

(c) The operation of ARDR Scheme, 1990 has been closed as on 31st March, 1995. In view thereof, there are to be no further changes in the scheme or the provisions governing thereof.

(d) and (?) Does not arise, in view of above.